

**MINUTES OF THE MEETING OF THE  
UNIFORM COMMERCIAL CODE COMMITTEE  
OF THE STATE BAR OF CALIFORNIA**

March 3, 2005  
(9:30 am to 11:30 am)

Videoconference meeting at the  
Offices of Pillsbury Winthrop, LLP  
Los Angeles, San Francisco, San Diego and Palo Alto

The March 3, 2005 meeting of the Uniform Commercial Code Committee (the "Committee") was called to order at approximately 9:30 a.m. with Sandra Shippey and Vasco Morais presiding.

**A. ADMINISTRATIVE MATTERS**

1. **Roll Call.** Sandra Shippey called out each member's name, and Vasco Morais noted their presence or absence.

2. **Appointment of Temporary Secretary.** Audrey Sung was appointed as secretary to take the minutes of this meeting only. The position of Committee Secretary is still open.

3. **Consideration of February 3, 2005 Meeting Minutes.** The minutes of the February 3, 2005 meeting were not available, and so consideration of this agenda item was postponed until the next Committee meeting in April.

4. **Future Meeting Dates/Locations.** The Committee reconfirmed and established the following dates for the next three meetings: Tuesday, April 5, 2005, and Thursday, May 5, 2005, each at 9:30 a.m. by videoconference in the offices of Pillsbury Winthrop LLP (San Francisco, Los Angeles, Palo Alto and San Diego), and Wednesday, June 8 2005 at 10:00 a.m., which will be an in-person meeting in Oakland (the exact location to be determined).

5. **Welcome of New Committee Member.** The Committee welcomed Kathleen Rothman, newly appointed to fill the unexpired term of Jaryn Barker. Kathleen's term will expire in 2006. Sandra indicated that Kathleen's subcommittee assignments would be discussed and finalized off-line.

6. **Open Committee Positions.** An updated roster of the current Committee members was distributed with the agenda for the meeting. With the addition of Kathleen Rothman and the resignation of Matthew Polesetsky, the Committee now has 25 members plus Harry Sigman. There are two current vacancies and eight current members whose terms expire in 2005. The application of Wansun Song (Pillsbury Winthrop) was tabled at the February meeting to be reviewed at the April meeting. The applications of Ed Christian (Orrick, Herrington & Sutcliffe), Jan Kosel (current Committee member filling a prior unexpired term) and Jim Hayes (current Committee member filling a prior unexpired term) were distributed with

the agenda for the March meeting and would be considered at the April meeting. All Committee members were urged to review their lists of contacts for potential candidates for the Committee. A brief discussion was had of the desired composition of the Committee and in-house versus law firm background of potential Committee members.

## **B. COMMITTEE WORK**

1. **Legislative Tracking.** Hugh Lawrence reported that approximately 75% of the potential "hits" registered by the updated key word search criteria (232 of 276 "hits") had been reviewed and no items falling within the purview of the Committee were found. Hugh promised that the balance of the unreviewed "hits" would be reviewed promptly following the meeting (without waiting for the next Committee meeting) in order to ensure that, if any items of interest were found, the Committee would have time to intervene in a timely manner in the legislative cycle.

2. **Deposit Account Control Agreement.** ABA Task Force has distributed new draft of the model agreement, and the Subcommittee intends to have a new draft of this Committee's comment letter regarding such new draft ready for review at the April meeting. Several major issues were briefly discussed.

3. **Hidden Liens.** Bob Anderson reported that the Subcommittee seemed to be in need of some assistance, and they had not succeeded in moving the project along. A discussion was had of what had been requested of the Subcommittee members and the best way to move forward. It was decided that Bob would assign to each member of the Committee one hidden lien, and to each Subcommittee member two hidden liens, on which to prepare reports. Bob agreed to re-circulate the previously approved form of the reports together with the lien assignments following the meeting.

4. **Electronic Filing System.** Vasco Morais reported that new paralegal subcommittee has made good progress in surveying the online UCC filing and searching capabilities of the various states, and that the subcommittee is targeting the end of March for completion of the survey. Kathleen Vasquez was not able to call in as scheduled. Vasco Morais requested that the Electronic Filing System subcommittee establish the parameters to be tracked by the Secretary of State's office with respect to use of the system.

## **C. OTHER SUBCOMMITTEE REPORTS**

1. **Foreign Centralized Filing.** Arnie Rosenberg reported that the Subcommittee was making good progress, had reports on 20 countries, and would likely be in a position to deliver its work product within the next couple of months. Arnie Rosenberg indicated that there were still questions to be addressed, such as in Taiwan, which has a registration system for personal property filings, but foreign lenders would not be able to avail themselves of the registration system unless they are first qualified to do business in Taiwan. He also reported that he had posted an announcement about the Subcommittee's work with the ABA and had

received considerable interest and offers of assistance from many quarters, including 43 responses to his listing in the UCC-Law List Serve.

2. **Article 2/2A.** Vasco Morais reported that the final response of the Committee to the objections received by NCCUSL from the National Association of Manufacturers ("NAM") on the proposed amendments to Article 2/2A was very well received by NCCUSL and that NCCUSL intended to post the Committee's draft responses on its website. Harry Sigman congratulated the Committee on a job well-done and indicated that the work product would likely be widely disseminated in each legislative or organized bar body considering the amendments to Article 2/2A. Also, as to the Article 2/2A glitches that were previously identified by the UCC Committee in a letter to NCCUSL, NCCUSL has indicated that almost all of the suggested fixes would be accepted a technical change revision to be forthcoming shortly.

3. **Uniform Certificate of Title Act.** Konrad Schreier and David Thill reported that they had had several discussions with Professor Alvin Harrell, the principal drafter of the revisions to UCOTA, in response to the comments submitted by the Committee. It appears that changes will be made in the next draft of UCOTA to address many of the Committee's comments and concerns. Several open issues were discussed.

4. **E-Commerce.** Audrey Sung confirmed that the Subcommittee had agreed to look at various issues relating to "check conversions," i.e. the practice of many merchants of converting checks submitted by consumers to electronic funds transfer transaction (e.g., ATM-type transactions) with or without notice to or consent of the consumer, but reported that the Subcommittee had not made substantive progress since the last Committee meeting.

5. **Liaison.** Bob Slattery reported that he had received the proposed Article 9 for Native American tribes. Several Committee members (Bob Slattery, Sandy Shippey and Jim Hayes) all volunteered to work on a subcommittee to analyze Article 9 for Native American Tribes. Bob Slattery volunteered to provide a redline of the proposed Article 9 for Native American tribes against the uniform version of Article 9 and to distribute it to all interested Committee members. Bob Anderson reported that the Insolvency Committee of the California State Bar has offered their assistance with respect to comments on hidden liens, but it was decided that such assistance is not required at the moment.

6. **Publications and Programs.** Barry Graynor has an article on Articles 9-406, 9-407 and 9-408 in the works that is anticipated to be completed sometime during the second half of the year.

7. **Website Development and E-Communications.** The recent "Web-Blast" distributed by the Committee had been well received. Volunteers were solicited to collect information and distribute the "Web-Blasts" on a monthly basis. It was noted that the sender of the "Web-Blast" would be identified as the sender and would earn name recognition with the audience.

**8. Uniform Foreign Country Money Judgments Recognition Act.** Audrey Sung made an appeal for volunteers to join this Subcommittee. Sandra Shippey promised to provide Audrey with a copy of the Act following the meeting.

**9. Ex-Comm. Liaison Update.** This agenda item was deferred to the next Committee meeting because neither Pauline Stevens nor Peter Szurley was in attendance.

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The meeting was adjourned at approximately 11:30 a.m.

Attendance:

Sandra L. Shippey	Present
Vasco H. Morais	Present
R. Paul Barks	Absent
Harry C. Sigman	Present
Robert B. Anderson	Present
David V. Biesemeyer	Absent
James S. Cochran	Present
Barry A. Dubin	Present
Francis X. Ferrer	Absent
Barry A. Graynor	Present
James A. Hayes, Jr.	Present
Janice E. Kosel	Present
Doug Krause	Present
Hugh Lawrence	Present
Lary Lawrence	Present
Jean LeBlanc	Absent
Lisa Olsen	Absent
Matthew P. Polesetsky	Absent
Arnold Rosenberg	Present
Kathleen Rothman	Present
Brenda H. Ruttenberg	Present
Alfred Sanchez, Jr.	Absent
Sean Scott	Absent
Konrad F. Schreier III, Esq.	Present
Robert V. Slattery, Jr.	Present
Audrey L. Sung	Present
David W. Thill	Present
Pauline Stevens	Absent